



**FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Hafez El Ramahi
DOCKET NO.: 09-24411.001-C-1
PARCEL NO.: 19-32-414-044-0000

The parties of record before the Property Tax Appeal Board are Hafez El Ramahi, the appellant(s); and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND: \$24,297
IMPR.: \$41,952
TOTAL: \$66,249**

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 9,289 square feet of land improved with 33 year old, one-story, masonry constructed retail strip center building containing 3,488 square feet of building area. The appellant argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant's pleadings included an appraisal of the subject property with an effective date of January 1, 2009 undertaken by Michael T. Gilligan, licensed certified general real estate appraiser and Robert W. Schlitz, licensed certified general real estate appraiser who holds the designation of MAI. The appraiser estimated a market value for the subject of \$265,000.

As to the subject, the appraisal indicated that the subject's site was inspected on May 21, 2010 and that the property rights appraised for the subject are a fee simple estate. The subject was found to contain 9,289 square feet of land and 3,488 square feet of building area. The appraisal indicated that the building was constructed in 1976 and was in fair to average condition.

The appraisers indicated that the subject's highest and best use as vacant would be to leave vacant and the highest and best use as improved was for its current use.

The appraisers developed all of the three traditional approaches to value.

Under the cost approach, the appraisers analyzed six land sales to estimate the value of the land at \$9.36 per square foot or \$85,000, rounded. The appraiser utilized Marshall Swift Boeckh's Cost Service to estimate a replacement cost new of \$406,394. Taking into account entrepreneurial profit of 8% the amount of depreciation attributable to the subject from all causes was estimated at 72% for a value of \$263,343. Adding the land value of \$85,000 plus a depreciated minor site improvement of \$5,140, resulted in a market value estimate under this approach of \$265,000, rounded.

Under the income approach, the appraisers reviewed seven rental comparables from the market. The comparable rental properties include multi-tenant retail and office buildings. These properties ranged in rental rates from \$10.00 to \$21.60 per square foot on a semi-net lease basis, while the properties range in rental area from 4,282 to 95,000 square feet. Based upon this data, the appraisers estimated the subject's potential gross income to be \$14.50 per square foot or \$50,576 annually. Deducting a vacancy and collection loss of 35.34% resulted in an effective gross income of \$32,700. Total expenses and replacements for reserves were estimated at \$13,202 resulting in a net operating income of \$24,299.

The appraisers used three methods to estimate the capitalization and found a value for the subject under each method. The appraiser reconciled a final stabilized value under the income approach of \$260,000.

Under the sales comparison approach to value, the appraisers utilized six sale comparables. These comparables sold from November 2006 through June 2009, for prices that ranged from \$330,000 to \$1,025,000 or from \$47.52 to \$186.83 per square foot, including land. The properties were retail centers. They ranged in land size from 6,200 to 21,567 square feet of land area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was \$75.97 per square foot or \$265,000 rounded, as of the assessment date.

The appellant's appraisers indicated the most weight was accorded to the sales comparison approach to value in reconciling a final value estimate of \$265,000.

In addition, the appellant included copies of the schedule E tax returns for the years 2007, 2008, and 2009, commercial leases and rent rolls, vacancy-occupancy and general affidavits regarding the vacancy of unit A of the subject property, and plat of survey. The appellant requests that based on the subject's 28% vacancy, the subject's assessed value established by the appraisal should be additionally reduced. Based upon this data,

the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$66,249 for the tax year 2009. The subject's assessment reflects a market value of \$264,996 or \$75.97 per square foot using the Cook County Ordinance Level of Assessment for Class 5a, commercial property of 25%.

In support of the subject's market value, raw sales data was submitted for five retail properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from July 2004 to November 2009, in an unadjusted range from \$92.68 to \$186.83 per square foot of building area. The properties contained buildings that ranged in size from 2,700 to 4,316 square feet and in age from 1 to 29 years. The printouts indicate that sale #5 failed to include any real estate brokers for the parties involved in the transactions. As a result of its analysis, the board requested confirmation of the subject's assessment.

After considering the arguments and reviewing the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is claimed, the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3d Dist. 2002; Winnbago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d (2d Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill. Admin. Code 1910.65(c). Having considered the evidence presented, the Board concludes that the evidence indicates a reduction in the subject's assessment is not warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by the board of review as the evidence provided unconfirmed, raw data on sales.

The appellant submitted documentation showing the income of the subject property. The Board gives the appellant's argument little weight. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of

course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Id. at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant's appraisal did this by utilizing the subject's actual income and expenses, vacancy, and the use of market data. In doing this, the appraisal estimated the vacancy at 35.34% which accounted for the subject's high vacancy. However, the appellant's appraisers indicated the most weight was accorded to the sales comparison approach in reconciling a final market value estimate of \$265,000.

Therefore, as to the subject's market value, the Board finds the best evidence to be the appellant's appraisal and the final market value per the sales comparison approach. The Board finds that the appellant's appraiser utilized all three traditional approaches to value in developing the subject's market value, The Board also finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; and utilized market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

The appraisal submitted by the appellant utilized the sales comparison approach to arrive at an estimated market value for the subject as of January 1, 2009. The Board finds that the subject's current assessment reflects a market value that is supported by these sales. Therefore, the Board finds that a reduction in subject's assessment is not warranted.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

J. R.

Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: January 31, 2013

Allen Castrovillari

Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing

complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.